(e) the steps taken/being taken by Government to tackle the situation?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA): (a) Yes, Sir.

(b) It was mainly due to general showdown in the economies of some of India's major trading partners like the US and increased competition from countries like Indonesia, Taiwan, Korea, etc.

(c) to (e) The duty drawback is a facility available to all exports including synthetic textile exports to offset the incidence of duty suffered on the inputs of export products. The exporters generally take into account the drawback rates/concessions while pricing their goods for export market. As per current scheme, the duty refund can be claimed by exporters either through All Industry Rates of Drawback or through Brand Rate mechanism.

Procurement of Defence Items

*154. SHRI ABANI ROY: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that Government have lifted the ban on middlemen in defence sector;

(b) if so, whether despite this the response of middlemen is very poor as reported in the Hindustan Times dated the 18th February, 2002;

(c) if so, whether the Defence Ministry is facing problems of acquiring various items due to poor response of middlemen; and

(d) if so, the strategy to be adopted by Government to procure various items with or without help of middlemen?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) to (d) A comprehensive formulation of the role, if any, which authorised Representatives/Agents/or Sales Consultants employed by foreign suppliers for the promotion of their production may legitmately be expected to play, has been receiving the attention of Government for some time. The entire policy has been extensively reviewed recently with the objective of defining the scope, extent and

condition within which such Authorised Representatives/Agents may be allowed to represent a foreign supplier or suppliers.

Based on this review and in order to bring greater transparency to the whole procurement process and realising that the presence of an Authorised Representative/Agent would improve the delivery of services and follow up of post contractual obligations, the Ministry of Defence have on 2nd November 2001 issued supplementary instructions on the appointment of Indian Authorised Representatives/Agents of foreign suppliers.

A report in the Hindustan Times dated 18th February, 2002 has appeared on the issue. The Ministry of Defence has been receiving requests from various firms for the guidelines issued by the Government in this regard. No formal request for appointment of agents has however been received so far.

The Ministry of Defence is acquiring equipment for the Services according to the detailed procurement procedure already in place.

The Authorised Representatives would facilitate the availability of information, technical details and literature, trial evaluation, follow up of post contractual details. Currently, these activities are being done by the Original Equipment Manufacturers (OEM) directly from abroad. The presence of an Authorised Representative of OEM would facilitate this process.

Policy regarding private sector participation in power generation

*155. SHRI RAJU PARMAR: Will the Minister of POWER be pleased to state:

(a) what is the long term planning of the Government with regard to power generation in the country through the participation of private sector;

(b) whether any policy has been laid down in this regard and if so, the salient features of the policy;

(c) whether Government is contemplating to allow Naphtha based power projects in the country; and

(d) if so, the details thereof?